

HOUSE BILL 1234

C8, P3

2lr2350

By: **Delegate Serafini**

Introduced and read first time: February 10, 2012

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Regulations Affecting Small Businesses – Extensions for Compliance**

3 FOR the purpose of authorizing the Department of Business and Economic
4 Development, under certain circumstances, to grant an extension to certain
5 small businesses for compliance with regulations adopted by Executive Branch
6 agencies; requiring a small business, in order to be granted an extension, to
7 prepare a certain economic impact analysis and a certain plan for compliance
8 with the regulations; requiring the small business to submit certain documents
9 to the Department; requiring the Department to coordinate with the
10 appropriate Executive Branch agency to make a certain determination;
11 requiring the Department to take certain actions based on a certain
12 determination; requiring the Department to provide certain notice to the small
13 business; authorizing a small business to comply with regulations in accordance
14 with a certain plan under certain circumstances; requiring the Department to
15 publish certain information in the Maryland Register; requiring the
16 Department to maintain a certain database; requiring a small business to
17 comply with certain regulations during a certain period of time; defining a
18 certain term; and generally relating to regulations affecting small businesses.

19 BY adding to

20 Article – Economic Development

21 Section 5–108

22 Annotated Code of Maryland

23 (2008 Volume and 2011 Supplement)

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
25 MARYLAND, That the Laws of Maryland read as follows:

26 **Article – Economic Development**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **5-108.**

2 (A) IN THIS SECTION, "SMALL BUSINESS" MEANS A CORPORATION,
3 PARTNERSHIP, SOLE PROPRIETORSHIP, OR OTHER BUSINESS ENTITY,
4 INCLUDING ITS AFFILIATES, THAT:

5 (1) IS INDEPENDENTLY OWNED AND OPERATED;

6 (2) IS NOT DOMINANT IN ITS FIELD; AND

7 (3) EMPLOYS 100 OR FEWER FULL-TIME EMPLOYEES.

8 (B) SUBJECT TO THIS SECTION, A SMALL BUSINESS MAY BE GRANTED
9 AN EXTENSION FOR COMPLIANCE WITH REGULATIONS ADOPTED BY AN
10 EXECUTIVE BRANCH AGENCY UNDER TITLE 10, SUBTITLE 1 OF THE STATE
11 GOVERNMENT ARTICLE.

12 (C) (1) IN ORDER TO BE GRANTED AN EXTENSION FOR COMPLIANCE
13 WITH REGULATIONS UNDER THIS SECTION, THE SMALL BUSINESS SHALL
14 PREPARE AN ECONOMIC IMPACT ANALYSIS AND A PLAN FOR COMPLIANCE IN
15 ACCORDANCE WITH THIS SUBSECTION.

16 (2) THE ECONOMIC IMPACT ANALYSIS SHALL:

17 (I) ESTIMATE THE COST TO THE SMALL BUSINESS OF
18 COMPLIANCE WITH THE REGULATIONS; AND

19 (II) SHOW THAT THE COST OF COMPLIANCE WILL EXCEED
20 THE GROSS REVENUE OF THE SMALL BUSINESS FOR THE PRECEDING FISCAL
21 YEAR.

22 (3) THE PLAN FOR COMPLIANCE SHALL SHOW HOW, IF THE
23 SMALL BUSINESS IS GRANTED AN EXTENSION FOR COMPLIANCE WITH THE
24 REGULATIONS, THE SMALL BUSINESS EXPECTS TO BE ABLE TO COMPLY WITH
25 THE REGULATIONS WITHIN THE NEXT 5 YEARS.

26 (D) THE SMALL BUSINESS SHALL SUBMIT TO THE DEPARTMENT:

27 (1) A REQUEST FOR AN EXTENSION FOR COMPLIANCE WITH
28 REGULATIONS IN THE FORM REQUIRED BY THE DEPARTMENT;

29 (2) THE ECONOMIC IMPACT ANALYSIS; AND

1 **(3) THE PLAN FOR COMPLIANCE.**

2 **(E) (1) ON RECEIPT OF A REQUEST FOR AN EXTENSION FOR**
3 **COMPLIANCE UNDER THIS SECTION, THE DEPARTMENT SHALL COORDINATE**
4 **WITH THE APPROPRIATE EXECUTIVE BRANCH AGENCY THAT ADOPTED THE**
5 **REGULATIONS TO DETERMINE WHETHER THE DEPARTMENT AGREES OR**
6 **DISAGREES WITH THE ECONOMIC IMPACT ANALYSIS AND PLAN FOR**
7 **COMPLIANCE SUBMITTED BY THE SMALL BUSINESS.**

8 **(2) IF THE DEPARTMENT AGREES WITH THE ECONOMIC IMPACT**
9 **ANALYSIS, THE DEPARTMENT SHALL APPROVE THE ECONOMIC IMPACT**
10 **ANALYSIS AND SHALL EITHER APPROVE OR MODIFY THE PLAN FOR**
11 **COMPLIANCE.**

12 **(3) IF THE DEPARTMENT DISAGREES WITH THE ECONOMIC**
13 **IMPACT ANALYSIS, THE DEPARTMENT SHALL DISAPPROVE THE ECONOMIC**
14 **IMPACT ANALYSIS AND THE PLAN FOR COMPLIANCE.**

15 **(4) THE DEPARTMENT SHALL INDICATE ITS APPROVAL OR**
16 **DISAPPROVAL OF THE ECONOMIC IMPACT ANALYSIS AND APPROVAL,**
17 **MODIFICATION, OR DISAPPROVAL OF THE PLAN FOR COMPLIANCE BY A**
18 **WRITTEN STATEMENT TO THE SMALL BUSINESS.**

19 **(F) IF A SMALL BUSINESS IS GRANTED AN EXTENSION FOR COMPLIANCE**
20 **UNDER THIS SECTION, THE SMALL BUSINESS:**

21 **(1) MAY COMPLY WITH THE REGULATIONS IN ACCORDANCE WITH**
22 **THE PLAN FOR COMPLIANCE APPROVED OR MODIFIED BY THE DEPARTMENT;**
23 **AND**

24 **(2) NEED NOT COMPLY WITH THE REGULATIONS IN ACCORDANCE**
25 **WITH THE REGULATIONS THEMSELVES DURING THE PERIOD THE EXTENSION**
26 **FOR COMPLIANCE IS IN EFFECT.**

27 **(G) FOR EACH SMALL BUSINESS GRANTED AN EXTENSION FOR**
28 **COMPLIANCE UNDER THIS SECTION, THE DEPARTMENT SHALL PUBLISH IN THE**
29 **MARYLAND REGISTER:**

30 **(1) THE NAME OF THE SMALL BUSINESS;**

31 **(2) THE PARTICULAR REGULATIONS AS TO WHICH THE SMALL**
32 **BUSINESS HAS BEEN GRANTED AN EXTENSION FOR COMPLIANCE; AND**

1 **(3) THE TIME FRAME WITHIN WHICH THE SMALL BUSINESS IS**
2 **REQUIRED TO COMPLY WITH THE REGULATIONS.**

3 **(H) (1) THE DEPARTMENT SHALL MAINTAIN A DATABASE THAT**
4 **INCLUDES, FOR EACH SMALL BUSINESS GRANTED AN EXTENSION FOR**
5 **COMPLIANCE UNDER THIS SECTION, THE INFORMATION ABOUT THE SMALL**
6 **BUSINESS PUBLISHED IN THE MARYLAND REGISTER IN ACCORDANCE WITH**
7 **SUBSECTION (G) OF THIS SECTION.**

8 **(2) THE DATABASE SHALL BE REASONABLY AVAILABLE FOR**
9 **PUBLIC INSPECTION.**

10 **(I) DURING THE PERIOD OF TIME THE DEPARTMENT IS CONSIDERING A**
11 **REQUEST FOR AN EXTENSION FOR COMPLIANCE UNDER THIS SECTION, THE**
12 **SMALL BUSINESS SHALL CONTINUE TO COMPLY WITH THE PARTICULAR**
13 **REGULATIONS AS TO WHICH IT IS SEEKING AN EXTENSION FOR COMPLIANCE.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2012.